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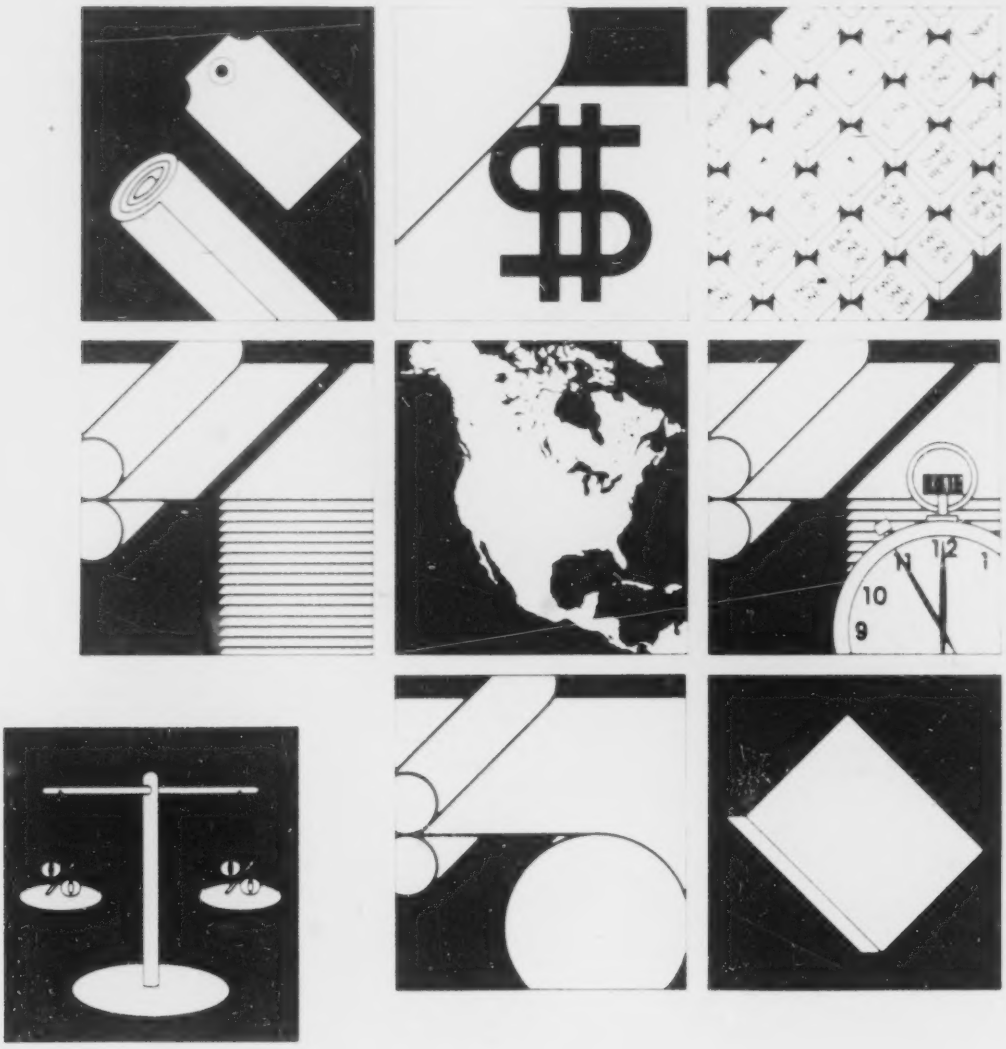
1987 Financial Ratio Study



Volume III

All Printers By Product Specialty

Volume III: All Printers By Product Specialty

An Annual Financial Survey Conducted By:
Printing Industries of America, Inc.
PIA Member Programs Services
1730 North Lynn Street
Arlington, VA 22209

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PRINTING INDUSTRIES OF AMERICA, INC.

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1987 is the 64th year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries in the U.S. and Canada. It allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the industry as a whole, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addreses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

H. R. MARGOLIS COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

H. R. Margolis Company is pleased to have once again participated with PIA and the graphic arts community in compiling these financial ratios. In all, 933 graphic arts firms of various types took part in the 1987 study. This particular volume is the result of financial information contributed by 826 printers across the United States and Canada.

To help readers compare their own financial statements to those of other firms, the data is presented here by product specialty - for example, Commercial and Advertising, Magazine and Periodical, Newspaper, etc. Readers can compare their firm's operations with other firms having the same product specialty in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

The importance of sharing this type of information among members of the graphic arts community cannot be overemphasized. Such a comparative analysis enhances the health of both individual firms and the graphic arts industry as a whole. Consequently, we urge that all firms put these ratios to use in making effective and profitable financial decisions.

H. R. MARGOLIS COMPANY

TABLE OF CONTENTS

Page Number

FOREWORD..... 2

VALUE ADDED -- WHAT IT MEANS TO YOU..... 4- 5

ALL PRINTERS BY PRODUCT SPECIALTY..... 6-19
- Commercial and Advertising
- Magazine and Periodical
- Newspaper
- Financial
- Direct Mail-Catalog
- Directory
- Label
- Packaging

Report on Operations - Value Added = 100%..... 6- 7
Supporting Schedules - Value Added = 100%..... 8- 9
Report on Operations - Sales = 100%..... 10-11
Supporting Schedules - Sales = 100%..... 10-13
Balance Sheet..... 14-15
Significant Facts..... 16-17
Return on Investment - Per $100 of Sales..... 18-19

ABSOLUTE DATA..... 20

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales Firm's Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%
B	500,000	100,000	20.0
C	8,000,000	975,000	12.2

62.2% divided by 3 = 20.7%

= PIA Factory Payroll Ratio

VALUE ADDED DEFINED

Value added is a technical term for sales of a company's own manufacture. It is calculated as sales less material costs and outside services.

Sales		$100.00
Less: Materials		
Paper	$ 23.00	
Other chargeable materials	5.00	
Outside services	8.00	36.00
Value Added		$ 64.00

Material costs include paper and other chargeable materials such as ink, film, plates etc., but not general supplies or the repair and maintenance of equipment. Outside services are purchases of job-related services - composition, offset preparation, printing, bindery, etc.

Value added financial management is based on a fundamental principle of accounting: Profit is achieved from sales of a company's own manufacture. Time and time again, when printing companies show high sales but low profits, the root of the problem is in the failure to pay attention to the relationship between value added and profit performance.

VALUE ADDED AND PROFITS

Since value added is sales less material costs, it becomes a critical factor in paying your remaining expenses - expenses such as factory labor, other factory expenses, administrative expenses, selling expenses, and interest.

What is left is profit.

All sales do not contribute equally to fixed costs and profits. There are "good sales" and "better sales." Good sales are sales that require more than an average amount of materials and outside services. As a result, they have less value added with which to cover fixed costs and to produce a profit. They are called "good sales" simply because there are no "bad sales" in the printing industry.

Better sales require fewer materials and more inside sales - sales of your company's own manufacture. This type of sale generously covers overhead and pays more dollars into profits. Printing firms that follow value added financial management procedures do all work inside unless they cannot avoid sending it out.

A VALUE ADDED STATEMENT OF OPERATIONS

In keeping with the value added concept, operating statements are more meaningful when prepared on the basis of inside sales. In this type of statement presentation, management starts its financial analysis with value added instead of the sales column. This eliminates the distortion introduced by material costs. For example, in comparing percentages based on sales of a short-run, sheet-fed company and a web offset firm, we could be faced with a significant difference in ratios because of differences in material costs. Although it would appear that the web offset operation had a lower factory labor cost because a substantial amount of its sales were materials, this might, in fact, not be the case at all. Instead the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

	COMPANY S SHEET-FED		COMPANY W WEB-FED	
		% OF SALES		% OF SALES
SALES	$1,000,000	100.00%	$1,000,000	100.00%
MATERIALS				
Paper	197,300	19.73	387,900	38.79
Other chargeable materials	42,800	4.28	35,000	3.50
Outside services	87,900	8.79	30,000	3.00
	328,000	32.80	452,900	45.29
		% OF VALUE ADDED		% OF VALUE ADDED
VALUE ADDED	672,000	100.00%	547,100	100.00%
FACTORY PAYROLL	241,800	35.98	177,500	32.44
FACTORY EXPENSES	121,800	18.13	101,300	18.52
	363,600	54.11	278,800	50.96
GROSS PROFIT	308,400	45.89	268,300	49.04
SELLING AND ADMINISTRATIVE EXPENSES	187,500	27.90	141,700	25.90
INCOME BEFORE INTEREST EXPENSE	120,900	17.99	126,600	23.14
Interest expense	18,300	2.72	7,900	1.44
OPERATING INCOME	102,600	15.27	118,700	21.70
Other income	10,200	1.52	16,200	2.96
INCOME BEFORE INCOME TAXES	$ 112,800	16.79%	$ 134,900	24.66%

The point is that every company's product mix is different, and by using statements of operations based on value added, this product mix difference is eliminated. Consequently, value added is a better statement with which to evaluate your operations.

ALL PRINTERS BY PRODUCT SPECIALTY

REPORT ON OPERATIONS - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	41.29	36.12	45.53	41.03	49.52
FACTORY EXPENSES	21.20	19.45	23.76	21.64	22.35
TOTAL FACTORY COST OF PRODUCT	62.49	55.57	69.29	62.67	71.87
GROSS PROFIT	37.51	44.43	30.71	37.33	28.13
ADMINISTRATIVE AND SELLING EXPENSES					
Administrative expenses	16.33	14.06	11.67	9.30	14.32
Selling expenses	14.08	12.58	8.10	6.53	5.78
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	30.41	26.64	19.77	15.83	20.10
INCOME (LOSS) BEFORE INTEREST EXPENSE	7.10	17.79	10.94	21.50	8.03
Interest expense	3.09	2.00	4.56	2.78	2.75
OPERATING INCOME (LOSS)	4.01	15.79	6.38	18.72	5.28
Other income (expense)	1.10	1.97	1.67	3.01	0.93
INCOME (LOSS) BEFORE INCOME TAXES	5.11	17.76	8.05	21.73	6.21

* See page 10 for the definition of "Profit Leaders".
** Sample insufficient for Profit Leaders.
**** All firms are the same as Profit Leaders.

FINANCIAL****	DIRECT MAIL-CATALOG**	DIRECTORY		LABEL		PACKAGING**
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
X	X	X	X	X	X	X
X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
32.87	55.43	40.65	26.41	41.77	40.29	41.84
20.26	27.36	17.01	11.84	18.84	16.37	20.92
53.13	82.79	57.66	38.25	60.61	56.66	62.76
46.87	17.21	42.34	61.75	39.39	43.34	37.24
16.32	14.26	16.38	27.22	14.76	12.29	13.05
10.72	3.36	12.54	21.60	13.22	11.96	12.71
27.24	17.62	29.42	48.82	27.98	24.25	25.76
19.63	(0.41)	12.92	12.93	11.41	19.09	11.48
1.54	0.09	2.74	0.91	2.76	1.55	2.78
18.09	(0.50)	10.18	12.02	8.65	17.54	8.70
0.82	(0.85)	2.39	3.86	1.19	1.26	(0.42)
18.91	(1.35)	12.57	15.88	9.84	18.80	8.28

ALL PRINTERS BY PRODUCT SPECIALTY

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL					
Salaries - executive	3.01%	2.66%	3.08%	2.95%	2.09%
Direct wages	28.34	24.81	29.21	24.57	28.88
General factory salaries and wages	2.60	2.38	4.76	5.25	8.11
Packing, shipping and delivery wages	1.31	1.16	1.21	0.86	1.43
Payroll taxes	2.83	2.28	2.89	2.98	2.49
Employee benefits	3.20	2.83	4.38	4.42	6.52
TOTAL FACTORY PAYROLL	41.29	36.12	45.53	41.03	49.52
FACTORY EXPENSES					
Fixed Expenses					
Depreciation - real estate	0.32	0.29	0.56	0.53	0.69
Depreciation - other	5.91	5.94	6.38	6.33	6.51
Taxes - real estate	0.31	0.38	0.31	0.24	0.49
Taxes - other	0.32	0.26	0.29	0.18	0.27
Insurance	1.10	0.92	0.59	0.39	0.83
Building rent	2.63	2.30	1.22	0.46	2.79
Utilities - heat, light, etc.	1.82	1.84	2.71	2.62	1.77
Equipment rental	1.19	0.79	1.30	1.03	1.22
Total Fixed Expenses	13.80	12.42	13.56	11.58	14.57
Other Expenses					
Factory supplies and expense	2.34	2.47	4.44	4.27	2.51
Packing, shipping and delivery expense	1.63	1.63	1.63	1.97	1.43
Repairs and maintenance	2.25	2.16	2.64	2.07	3.36
Other factory expenses	0.88	0.77	1.69	1.75	0.48
Total Other Expenses	7.60	7.03	10.40	10.06	7.78
TOTAL FACTORY EXPENSES	21.20	19.45	23.76	21.64	22.35
ADMINISTRATIVE EXPENSES					
Salaries - executive	4.37	5.03	2.74	2.44	5.52
Salaries - office	4.02	3.00	2.89	2.57	3.29
Payroll taxes	0.64	0.43	0.40	0.37	0.71
Employee benefits	0.39	0.63	0.70	0.85	0.85
Bad debts	0.72	0.67	0.91	0.58	0.35
Office supplies and expenses	0.76	0.70	0.58	0.57	0.76
Professional fees	0.99	0.94	0.75	0.48	0.73
Taxes - business	0.26	0.27	0.13	0.05	0.13
Telephone	0.76	0.56	0.57	0.45	0.62
Other administrative expenses	2.32	1.83	2.00	0.94	1.37
TOTAL ADMINISTRATIVE EXPENSES	16.33	14.06	11.67	9.30	14.32
SELLING EXPENSES					
Salaries - executive	1.98	1.66	0.87	0.71	1.51
Salaries and commissions - salesmen	6.70	6.35	2.80	2.07	2.39
Salaries - sales office clerical	1.12	0.80	1.28	1.09	0.06
Payroll taxes	0.56	0.43	0.31	0.26	0.20
Employee benefits	0.55	0.50	0.40	0.31	0.39
Advertising	0.71	0.59	0.5[illegible]	0.32	0.36
Travel and entertainment	1.27	1.23	1.11	0.72	0.22
Other selling expenses	1.19	1.02	0.87	1.05	0.65
TOTAL SELLING EXPENSES	14.08	12.58	8.10	6.53	5.78

** Sample insufficient for Profit Leaders.
**** All firms are the same as Profit Leaders.

FINANCIAL****	DIRECT MAIL-CATALOG**	DIRECTORY		LABEL		PACKAGING**
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
0.45%	5.79%	4.19%	1.81%	2.50%	2.36%	4.03%
24.57	34.18	26.37	19.23	26.83	24.10	25.03
3.70	2.92	3.59	2.07	2.79	2.69	1.57
0.97	0.23	1.24	0.49	1.67	2.22	5.34
1.46	4.11	2.48	1.78	2.66	2.45	1.64
1.72	8.20	2.78	1.03	5.32	6.47	4.23
32.87	55.43	40.65	26.41	41.77	40.29	41.84
0.15	0.58	0.24	0.37	0.32	0.55	0.32
5.34	9.09	4.14	2.42	4.88	4.06	2.87
0.19	0.55	0.30	0.23	0.37	0.21	0.46
0.30	0.04	0.39	0.30	0.21	0.37	0.00
0.27	0.54	0.76	1.69	0.84	0.44	0.66
1.35	1.09	1.01	0.62	1.67	1.06	1.52
1.08	2.13	1.72	1.72	1.81	1.74	1.48
1.01	1.59	0.43	0.00	0.50	0.01	0.02
10.29	15.61	8.99	7.36	10.50	8.44	7.33
2.41	4.82	2.42	1.43	3.15	2.84	3.48
0.14	2.39	1.25	0.12	2.06	2.13	3.20
1.88	4.16	3.36	2.74	1.79	1.96	1.31
5.54	0.38	0.99	0.19	1.24	1.00	3.60
9.97	11.75	8.02	4.48	8.24	7.93	11.59
20.26	27.36	17.01	11.84	18.84	16.37	20.92
4.17	3.27	5.56	10.03	4.36	3.63	2.62
2.20	3.84	3.00	4.89	3.31	2.63	3.93
0.28	0.55	0.56	0.91	0.50	0.42	0.43
0.38	0.74	0.82	1.78	0.75	0.95	0.36
0.64	0.62	0.90	1.03	0.43	0.06	1.71
0.69	0.45	0.41	0.35	0.75	0.51	0.54
0.99	1.18	1.59	2.40	0.97	0.44	0.31
0.14	0.05	0.32	0.27	0.18	0.19	0.03
0.45	0.34	0.45	0.54	0.76	0.48	0.12
6.58	3.22	3.27	5.02	2.75	2.98	3.00
16.52	14.26	16.88	27.22	14.76	12.29	13.05
0.24	0.12	2.21	3.43	1.58	2.00	0.73
5.96	0.95	6.52	13.98	6.06	5.66	4.52
0.58	0.50	1.35	0.70	1.25	0.84	3.65
0.24	0.27	0.63	1.22	0.42	0.24	0.22
0.40	0.49	0.23	0.07	0.76	0.88	0.35
0.72	0.32	0.54	0.66	0.60	0.40	0.13
0.39	0.61	0.48	0.65	1.19	0.85	0.41
1.59	0.10	0.58	0.89	1.36	1.09	2.70
10.72	3.36	12.54	21.60	13.22	11.96	12.71

ALL PRINTERS BY PRODUCT SPECIALTY

REPORT ON OPERATIONS - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT					
MATERIALS					
Paper	22.75	21.71	28.57	25.63	32.06
Other chargeable materials	4.91	4.46	6.93	6.27	5.17
Outside services	9.12	8.98	4.86	5.46	2.90
TOTAL MATERIALS	36.78	35.15	40.36	37.36	40.13
FACTORY PAYROLL	26.06	23.42	27.00	25.95	28.62
FACTORY EXPENSES	13.39	12.64	14.13	13.50	13.76
TOTAL FACTORY COST OF PRODUCT	76.23	71.21	81.49	76.81	82.51
GROSS PROFIT	23.77	28.79	18.51	23.19	17.49
ADMINISTRATIVE AND SELLING EXPENSES					
Administrative expenses	10.43	9.21	6.99	5.74	8.70
Selling expenses	8.90	8.17	4.76	4.16	4.08
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	19.33	17.38	11.75	9.90	12.78
INCOME (LOSS) BEFORE INTEREST EXPENSE	4.44	11.41	6.76	13.29	4.71
Interest expense	1.93	1.28	2.67	1.75	1.56
OPERATING INCOME (LOSS)	2.51	10.13	4.09	11.54	3.15
Other income (expense)	0.71	1.26	0.95	1.69	0.51
INCOME (LOSS) BEFORE INCOME TAXES	3.22	11.39	5.04	13.23	3.66

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS					
Ink	1.53%	1.33%	3.46%	2.39%	1.56%
Film	1.11	1.10	1.11	1.09	1.53
Plates	1.09	1.00	1.30	1.23	1.04
Other chargeable materials	1.18	1.03	1.06	1.56	1.04
TOTAL OTHER CHARGEABLE MATERIALS	4.91	4.46	6.93	6.27	5.17
OUTSIDE SERVICES					
Composition	0.80	1.23	0.55	0.25	0.03
Offset preparation	1.41	1.33	0.84	1.17	0.47
Printing	2.24	2.20	0.89	1.36	1.16
Binding	2.35	2.10	1.33	0.50	0.33
Other outside services	2.32	2.12	1.25	2.18	0.91
TOTAL OUTSIDE SERVICES	9.12	8.98	4.86	5.46	2.90

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.
*** Information not submitted.
**** All firms are the same as Profit Leaders.

FINANCIAL****	DIRECT MAIL-CATALOG**	DIRECTORY		LABEL		PACKAGING**
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
12.63	41.87	29.94	20.55	26.28	25.87	24.30
2.94	4.07	5.42	3.85	6.49	7.39	5.16
10.77	10.93	6.01	14.22	5.45	3.86	10.58
26.34	56.87	41.37	38.62	38.22	37.12	40.04
24.13	23.98	24.43	18.48	25.53	25.35	24.99
15.08	11.82	10.07	8.23	11.70	10.29	12.54
65.55	92.67	75.87	65.33	75.45	72.76	77.57
34.45	7.33	24.13	34.67	24.55	27.24	22.43
11.49	6.10	9.69	15.04	9.34	7.83	7.94
7.45	1.48	7.20	11.52	8.18	7.41	7.64
19.94	7.58	16.89	26.86	17.52	15.24	15.58
14.51	(0.25)	7.24	7.81	7.03	12.00	6.85
1.18	0.04	1.60	0.62	1.67	0.98	1.66
13.33	(0.29)	5.64	7.19	5.36	11.02	5.19
0.58	(0.38)	1.37	2.52	0.72	0.77	(0.36)
13.91	(0.67)	7.01	9.71	6.08	11.79	4.83
0.23%	2.14%	1.46%	0.81%	2.72%	2.44%	1.85%
0.02	0.65	0.87	0.68	0.72	0.97	0.12
0.53	0.66	1.01	0.93	0.97	1.30	1.23
2.16	0.62	2.08	1.43	2.08	2.68	1.96
2.94	4.07	5.42	3.85	6.49	7.39	5.16
4.64	0.01	0.44		0.50	0.61	5.80
5.15	0.15	0.33		0.50	0.53	0.55
0.00	4.52	2.60		2.64	1.74	0.55
0.00	2.06	1.72		1.16	0.76	0.13
0.98	4.19	0.92		0.65	0.22	3.55
10.77	10.93	6.01	***	5.45	3.86	10.58

ALL PRINTERS BY PRODUCT SPECIALTY

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL					
Salaries - executive	1.90%	1.73%	1.86%	1.87%	1.32%
Direct wages	17.92	16.16	17.34	15.62	16.94
General factory salaries and wages	1.62	1.51	2.73	3.24	4.45
Packing, shipping and delivery wages	0.81	0.73	0.72	0.52	0.84
Payroll taxes	1.80	1.48	1.75	1.89	1.43
Employee benefits	2.01	1.81	2.60	2.81	3.64
TOTAL FACTORY PAYROLL	26.06	23.42	27.00	25.95	28.62
FACTORY EXPENSES					
Fixed Expenses					
Depreciation - real estate	0.21	0.19	0.35	0.34	0.41
Depreciation - other	3.71	3.86	3.34	3.98	3.94
Taxes - real estate	0.20	0.25	0.18	0.16	0.27
Taxes - other	0.20	0.17	0.18	0.11	0.17
Insurance	0.70	0.61	0.35	0.25	0.48
Building rent	1.69	1.50	0.71	0.31	2.03
Utilities - heat, light, etc.	1.14	0.99	1.59	1.55	1.01
Equipment rental	0.76	0.53	0.76	0.55	0.64
Total Fixed Expenses	8.61	8.10	7.96	7.25	8.95
Other Expenses					
Factory supplies and expense	1.80	1.60	2.65	2.59	1.62
Packing, shipping and delivery expense	1.02	1.04	0.96	1.22	0.92
Repairs and maintenance	1.41	1.40	1.54	1.26	1.95
Other factory expenses	0.55	0.50	1.02	1.08	0.32
Total Other Expenses	4.78	4.54	6.17	6.25	4.81
TOTAL FACTORY EXPENSES	13.39	12.64	14.13	13.50	13.76
ADMINISTRATIVE EXPENSES					
Salaries - executive	3.20	3.33	1.69	1.51	3.29
Salaries - office	2.57	1.96	1.72	1.55	2.07
Payroll taxes	0.41	0.28	0.24	0.22	0.42
Employee benefits	0.57	0.41	0.42	0.52	0.50
Bad debts	0.45	0.43	0.53	0.35	0.22
Office supplies and expenses	0.49	0.46	0.34	0.37	0.43
Professional fees	0.63	0.61	0.45	0.32	0.41
Taxes - business	0.16	0.17	0.08	0.03	0.08
Telephone	0.48	0.36	0.34	0.28	0.39
Other administrative expenses	1.47	1.20	1.18	0.59	0.39
TOTAL ADMINISTRATIVE EXPENSES	10.43	9.21	6.99	5.74	8.70
SELLING EXPENSES					
Salaries - executive	1.24	1.08	0.50	0.43	0.99
Salaries and commissions - salesmen	4.24	4.11	1.62	1.27	1.81
Salaries - sales office clerical	0.71	0.53	0.76	0.72	0.04
Payroll taxes	0.36	0.28	0.18	0.16	0.14
Employee benefits	0.35	0.33	0.24	0.20	0.26
Advertising	0.46	0.38	0.34	0.20	0.22
Travel and entertainment	0.80	0.80	0.59	0.46	0.13
Other selling expenses	0.74	0.66	0.53	0.72	0.49
TOTAL SELLING EXPENSES	8.90	8.17	4.76	4.16	4.08

** Sample insufficient for Profit Leaders.
**** All firms are the same as Profit Leaders.

FINANCIAL****	DIRECT MAIL-CATALOG**	DIRECTORY		LABEL		PACKAGING**
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
0.34%	2.49%	2.65%	1.29%	1.56%	1.50%	2.42%
18.06	14.77	15.95	13.74	16.47	15.11	14.87
2.64	1.27	2.07	1.12	1.65	1.72	0.91
0.74	0.10	0.73	0.35	1.03	1.42	3.30
1.08	1.78	1.53	1.24	1.62	1.53	1.01
1.27	3.57	1.50	0.74	3.20	4.07	2.48
24.13	23.98	24.43	18.48	25.53	25.35	24.99
0.11	0.25	0.14	0.25	0.19	0.34	0.19
3.90	3.95	2.42	1.69	3.07	2.55	1.71
0.15	0.24	0.15	0.15	0.22	0.13	0.27
0.23	0.02	0.26	0.21	0.13	0.24	0.00
0.20	0.23	0.51	1.19	0.52	0.27	0.40
1.40	0.46	0.63	0.41	1.10	0.71	2.07
0.81	0.93	0.98	1.22	1.10	1.09	0.89
0.77	0.67	0.27	0.00	0.33	0.01	0.01
7.57	6.75	5.36	5.12	6.66	6.54	6.34
1.80	2.09	1.38	0.96	1.91	1.82	2.10
0.08	1.01	0.69	0.08	1.21	1.21	1.95
1.39	1.81	2.01	1.93	1.11	1.24	0.78
4.24	0.16	0.63	0.14	0.81	0.68	2.17
7.51	5.07	4.71	3.11	5.04	4.95	7.00
15.08	11.82	10.07	8.23	11.70	10.29	12.54
2.97	1.39	3.29	5.90	2.77	2.28	1.59
1.57	1.63	1.70	2.72	2.09	1.69	2.41
0.20	0.23	0.32	0.52	0.32	0.28	0.26
0.27	0.32	0.44	0.96	0.47	0.59	0.22
0.50	0.27	0.46	0.53	0.28	0.04	1.04
0.50	0.19	0.25	0.19	0.48	0.33	0.32
0.71	0.50	0.92	1.39	0.60	0.27	0.19
0.10	0.02	0.19	0.16	0.12	0.12	0.02
0.32	0.15	0.27	0.33	0.48	0.29	0.07
4.85	1.40	1.85	2.64	1.73	1.94	1.82
11.99	6.10	9.69	15.34	9.34	7.83	7.94
0.18	0.05	1.24	1.76	0.94	1.27	0.43
4.36	0.42	3.66	7.47	3.81	3.45	2.68
0.45	0.22	0.85	0.36	0.75	0.51	2.21
0.18	0.12	0.36	0.65	0.26	0.15	0.14
0.30	0.22	0.14	0.05	0.46	0.53	0.21
0.53	0.14	0.35	0.37	0.41	0.25	0.08
0.73	0.27	0.28	0.40	0.74	0.54	0.25
1.22	0.04	0.32	0.46	0.81	0.71	1.64
7.95	1.48	7.20	11.52	8.18	7.41	7.64

ALL PRINTERS BY PRODUCT SPECIALTY

BALANCE SHEET

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS					
CURRENT ASSETS					
Cash	7.18%	11.30%	3.03%	6.21%	(1.06)%
Receivables	32.39	30.72	27.06	23.50	34.21
Inventories	10.74	8.85	12.79	12.09	11.75
Other current assets	3.75	5.00	5.20	7.94	2.78
TOTAL CURRENT ASSETS	54.56	55.87	48.08	49.74	47.68
FIXED ASSETS					
Real estate	8.65	8.02	12.62	12.50	29.85
Less: Accumulated depreciation	2.73	2.74	3.30	2.59	8.57
	5.92	5.28	9.32	9.91	21.28
Machinery and equipment	70.91	70.29	71.92	57.91	90.34
Less: Accumulated depreciation	39.40	38.01	35.08	26.39	66.51
	31.51	32.28	36.84	31.52	23.83
Other fixed assets	3.80	7.32	5.47	2.29	9.11
Less: Accumulated depreciation	1.87	3.70	3.12	1.48	4.51
	1.93	3.62	2.35	0.81	4.60
NET FIXED ASSETS	41.36	41.18	48.51	42.24	49.71
OTHER ASSETS	4.08	2.95	3.41	8.02	2.61
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Notes payable	9.62	6.34	9.52	5.46	13.28
Accounts payable	14.00	10.67	14.82	8.19	16.77
Other current liabilities	8.02	8.30	6.69	5.76	5.25
TOTAL CURRENT LIABILITIES	31.64	25.31	31.03	19.41	35.30
LONG-TERM LIABILITIES	30.65	21.01	32.56	23.42	31.34
TOTAL LIABILITIES	62.29	46.32	63.59	42.83	66.64
SHAREHOLDERS' AND PROPRIETORS' EQUITY	37.71	53.68	36.41	57.17	33.36
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.72	2.21	1.55	2.56	1.35
QUICK RATIO	1.38	1.86	1.14	1.94	1.02
TOTAL LIABILITIES TO EQUITY	1.65	0.86	1.75	0.75	2.00
LONG-TERM LIABILITIES TO EQUITY	0.81	0.39	0.89	0.41	0.94
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.56	****	0.49	0.46	0.74

** Sample insufficient for Profit Leaders.
**** All firms are the same as Profit Leaders.

FINANCIAL****	DIRECT MAIL-CATALOG**	DIRECTORY		LABEL		PACKAGING**
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
2.48%	1.10%	14.99%	33.37%	3.49%	4.65%	2.80%
26.75	18.34	24.97	28.25	35.01	30.13	31.30
8.21	30.15	12.05	7.79	17.70	19.29	32.71
24.09	7.35	3.49	4.29	1.71	1.78	5.05
61.53	56.94	55.50	73.70	57.91	55.85	71.86
7.19	11.95	19.78	11.98	10.51	19.25	15.45
1.66	5.90	2.66	2.68	3.63	7.17	0.49
5.53	6.05	17.12	9.30	6.88	12.08	14.96
56.29	71.78	48.48	36.84	55.75	60.04	37.45
27.42	35.54	26.90	24.21	30.83	31.69	25.37
28.87	36.24	21.58	12.63	24.92	28.35	12.08
4.88	1.76	4.85	3.71	6.46	2.35	3.57
2.84	0.99	3.34	1.65	3.28	1.43	2.47
2.04	0.77	1.51	2.06	3.18	0.92	1.10
36.44	43.06	40.21	23.99	34.98	41.35	28.14
2.03	0.00	4.29	2.31	7.11	2.80	0.00
100.00	100.00	100.00	100.00	100.00	100.00	100.00
9.25	8.62	6.16	1.47	7.28	2.46	9.74
21.10	20.27	8.61	3.79	15.35	11.95	19.04
1.70	4.26	14.47	29.33	8.52	10.92	2.36
32.05	33.15	29.24	34.59	31.15	25.33	31.14
21.76	43.73	26.01	5.18	28.53	19.56	13.59
53.81	76.88	55.25	39.77	59.68	44.89	44.73
46.19	23.12	44.75	60.23	40.32	55.11	55.27
100.00	100.00	100.00	100.00	100.00	100.00	100.00
1.92	1.72	1.90	2.13	1.86	2.20	2.31
1.66	0.81	1.49	1.91	1.29	1.44	1.26
1.16	3.33	1.23	0.66	1.48	0.81	0.81
0.47	1.89	0.58	0.09	0.71	0.35	0.25
0.49	0.50	0.55	0.66	0.55	0.53	0.68

SIGNIFICANT FACTS

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT					
Average assets per employee - All employees	$ 39,621	$ 46,840	$ 52,306	$ 59,012	$ 29,513
Average assets per factory employee (Excluding Executives)	57,656	67,973	64,279	72,156	36,625
Average net worth per employee - All employees	15,381	25,538	19,407	36,406	11,696
Average gross plant investment per factory employee (Excluding Executives)	49,619	55,357	54,622	49,319	45,146
Net worth percentage of fixed assets	122.34%	173.59%	103.16%	180.06%	65.20%
EMPLOYEES					
Percent factory - All employees	72.97%	74.53%	84.45%	85.94%	32.39%
Percent administrative - All employees	14.46	13.64	9.07	8.39	11.95
Percent sales - All employees	12.57	11.83	6.48	5.67	5.66
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES					
Sales per employee - All employees	$ 78,055	$ 85,781	$ 82,896	$ 84,344	$ 63,296
Sales per factory employee	108,383	118,895	98,875	100,147	78,012
Sales less material per factory employee	67,111	75,886	57,439	60,453	47,153
Sales per administrative employee	599,202	772,237	1,108,592	1,179,918	564,630
EXCLUDING EXECUTIVES					
Sales per employee - All employees	86,577	95,059	88,667	91,012	69,327
Sales per factory employee	114,580	125,156	103,525	105,106	81,038
Sales less material per factory employee	70,969	80,010	60,216	63,422	49,317
SALES PER SALESMAN	659,256	797,181	2,544,937	2,853,541	592,208
SALES TO CURRENT ASSETS	462%	414%	391%	327%	539%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES					
Total payroll percentage of sales	39.71%	35.72%	34.37%	32.54%	38.13%
Factory payroll percentage of gross plant investment	86.41	61.06	56.78	57.73	56.07
Payroll per employee - All employees	$ 30,005	$ 29,998	$ 27,701	$ 26,531	$ 23,579
Payroll per factory employee	27,118	26,645	25,863	24,643	21,748
Payroll per administrative employee	35,880	38,446	36,359	40,499	31,266
Payroll per sales employee	43,068	45,448	42,551	40,467	30,034
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES					
Payroll per employee - All employees	$ 23,215	$ 22,876	$ 21,539	$ 20,090	$ 17,676
Payroll per factory employee	22,217	21,342	20,881	19,392	17,349
Payroll per administrative employee	17,959	16,257	19,799	21,184	16,200
Payroll per sales employee	34,347	36,052	34,154	30,383	19,154
EXECUTIVE PAYROLL					
Payroll per executive - All executives	54,831	68,058	53,764	50,157	$ 39,143
Payroll per factory executive	35,529	36,882	43,619	39,334	25,366
Payroll per administrative executive	64,884	84,803	70,397	78,579	46,956
Payroll per sales executive	45,655	47,313	56,957	58,189	21,109
RECEIVABLES					
Collection period	57.6	58.8	57.2	55.9	54.2
PROFIT					
Gross profit percentage of sales	23.77%	28.79%	18.51%	23.19%	17.49%
Average gross profit per factory employee	$ 27,443	$ 36,748	$ 18,970	$ 23,787	$ 15,116
Income (loss) before taxes percentage of sales	3.22%	11.39%	5.04%	13.23%	3.66%
Average income (loss) before taxes per employee	$ 2,762	$ 9,851	$ 4,281	$ 11,263	$ 2,585

** Sample insufficient for Profit Leaders.
**** All firms are the same as Profit Leaders.

FINANCIAL****	DIRECT MAIL-CATALOG**	DIRECTORY		LABEL		PACKAGING**
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 52,231	$ 56,506	$ 52,494	$ 62,630	$ 51,813	$ 60,341	$ 44,278
71,332	67,730	154,414	331,744	70,397	83,513	63,044
23,361	4,953	23,257	38,429	19,648	31,187	27,443
48,743	67,697	69,299	101,522	49,823	68,166	36,441
154.76%	72.24%	142.94%	270.15%	131.41%	167.66%	230.77%
73.69%	87.48%	70.58%	48.48%	77.16%	76.89%	75.33%
14.47	10.03	12.92	22.09	11.67	11.83	12.67
11.84	2.49	16.50	29.43	11.17	11.28	12.00
$ 88,320	$ 101,967	$ 45,673	$103,108	$ 86,199	$ 95,304	$ 81,441
120,455	116,473	314,204	717,289	112,245	125,309	110,283
89,030	60,242	166,963	376,174	68,638	78,445	66,503
842,134	2,055,143	1,319,477	511,002	993,396	1,300,755	822,853
93,981	112,916	107,018	116,267	93,277	103,602	89,095
121,725	128,622	321,550	719,719	117,053	130,923	121,014
89,999	55,438	171,318	377,909	71,623	82,037	72,929
515,550	2,724,456	1,251,321	762,778	983,482	1,096,074	847,365
318%	434%	378%	220%	332%	310%	275%
34.61%	28.57%	36.44%	38.86%	37.39%	36.09%	35.14%
67.27	85.40	75.10	31.71	81.15	53.85	91.76
$ 30,124	$ 29,300	$ 32,749	$ 37,950	$ 31,613	$ 33,950	$ 28,621
28,551	27,988	28,584	26,859	28,285	30,799	27,155
31,262	35,342	43,507	49,218	41,369	42,085	28,720
44,183	22,303	44,092	61,116	48,292	50,569	41,301
$ 25,790	$ 20,825	$ 24,847	$ 27,365	$ 23,423	$ 24,466	$ 23,585
25,608	20,663	24,218	24,226	21,842	23,160	22,673
15,039	21,477	20,695	19,881	20,026	19,231	17,812
39,678	14,419	35,579	52,793	39,456	40,751	36,335
48,366	42,406	60,790	84,939	70,325	62,348	40,689
30,010	35,870	32,478	17,094	29,346	34,465	31,056
48,071	66,254	79,200	108,649	77,188	80,168	62,129
18,170	30,000	58,339	43,055	48,292	62,956	56,227
60.3	46.7	51.0	60.4	72.1	68.9	56.1
34.45%	7.33%	24.13%	34.67%	24.55%	27.24%	22.43%
$ 42,104	$ 9,611	$ 127,318	$336,227	$ 28,781	$ 36,308	$ 27,934
13.91%	(0.67)%	7.01%	9.71%	6.08%	11.79%	4.83%
$ 12,366	$ (990)	$ 6,965	$ 9,528	$ 5,500	$ 11,034	$ 3,330

ALL PRINTERS BY PRODUCT SPECIALTY

RETURN ON INVESTMENT - PER $100 OF SALES

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT					
Current Assets:					
Cash	$ 3.70	$ 6.51	$ 2.00	$ 4.56	$(1.28)
Receivables	-15.34	15.56	15.07	14.88	14.19
Inventories	5.12	4.56	7.42	8.32	4.93
Marketable securities	0.86	1.48	1.32	3.74	0.36
Other current assets	1.21	1.68	2.36	2.70	1.18
	26.23	29.79	28.17	34.20	19.38
Plant Investment:					
Land and building	5.19	5.18	8.33	8.34	16.61
Machinery and equipment	34.97	37.04	43.65	39.99	38.05
Other fixed assets	4.13	3.48	2.97	1.37	3.17
	44.29	45.70	54.95	49.70	57.83
Non-Current Assets	2.19	1.67	2.40	5.77	1.19
TOTAL INVESTMENT	72.71	77.16	85.52	89.67	78.40
INVESTMENT TURNOVER PER $100 OF SALES	137.53%	129.60%	116.93%	111.52%	127.55%
EARNINGS					
Cost of Product	$76.23	$71.21	$81.49	$76.81	$82.51
Selling Expenses	9.90	9.17	4.76	4.16	4.08
Administrative Expenses	10.43	9.21	6.99	5.74	8.70
	95.56	88.59	93.24	86.71	95.29
Income (Loss) Before Interest, Other Income (Expense), and Taxes	4.44	11.41	6.76	13.29	4.71
RETURN ON INVESTMENT - INVESTMENT TURNOVER x INCOME (LOSS)	6.11%	14.79%	7.90%	14.82%	6.01%

** Sample insufficient for Profit Leaders.
**** All firms are the same as Profit Leaders.

FINANCIAL****	DIRECT MAIL-CATALOG**	DIRECTORY		LABEL		PACKAGING**
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 1.52	$ 0.30	$10.10	$24.99	$ 1.89	$ 3.17	$ 1.08
15.79	12.22	13.08	15.36	19.59	18.76	15.31
4.60	12.99	5.96	4.60	9.55	10.74	18.16
0.26	0.00	0.71	2.12	0.26	0.51	0.00
15.85	1.84	1.60	1.86	0.89	0.90	2.01
38.02	27.35	31.45	48.93	32.18	34.08	36.56
3.57	9.89	13.09	9.90	7.23	13.76	11.03
32.39	43.49	29.11	32.57	32.25	37.76	20.18
2.97	0.43	2.90	2.24	3.38	1.71	1.37
38.93	53.81	45.10	44.71	42.86	53.23	32.58
1.03	0.00	2.17	1.08	5.62	1.87	0.00
77.98	81.16	78.72	94.72	80.66	89.18	69.14
128.24%	123.21%	127.03%	105.57%	123.98%	112.13%	144.63%
$65.55	$ 92.67	$75.87	$65.33	$75.45	$72.76	$77.57
7.95	1.48	7.20	11.52	8.18	7.41	7.64
11.99	6.10	9.69	15.34	9.34	7.83	7.94
85.49	100.25	92.76	92.19	92.97	88.00	93.15
14.51	(0.25)	7.24	7.81	7.03	12.00	6.85
18.61%	(0.31)%	9.20%	8.25%	8.72%	13.46%	9.91%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME (LOSS)
TOTAL - ALL PRINTING FIRMS	826	$ 4,648,000	$ 7,873,000	$ 362,000
TOTAL - PROFIT LEADERS*	139	6,909,000	11,046,000	1,282,000
ALL PRINTERS BY PRODUCT SPECIALTY				
ALL FIRMS				
Commercial and Advertising	686	3,333,000	5,981,000	24,000
Magazine and Periodical	37	24,394,000	34,184,000	2,273,000
Newspaper	7	1,734,000	3,539,000	165,000
Financial	3	4,392,000	8,333,000	1,252,000
Direct Mail - Catalog	2	24,644,000	33,163,000	(1,324,000)
Directory	6	7,256,000	15,097,000	1,079,000
Label	20	5,892,000	8,947,000	475,000
Packaging	2	5,218,000	7,932,000	604,000
Book	34	5,607,000	10,074,000	529,000
Business Forms Manufacturers	18	6,580,000	12,713,000	725,000
No Predominant Product	11	8,577,000	14,726,000	(27,000)
PROFIT LEADERS				
Commercial and Advertising	98	4,013,000	6,772,000	775,000
Magazine and Periodical	11	35,233,000	52,259,000	6,300,000
Newspaper	1	3,368,000	4,212,000	454,000
Financial	3	4,392,000	8,333,000	1,252,000
Directory	2	5,840,000	9,411,000	876,000
Label	8	4,420,000	7,585,000	898,000
Packaging	1	9 405,000	13,176,000	1,190,000
Book	10	7,998,000	13,976,000	1,413,000
Business Forms Manufacturers	4	5,726,000	7,851,000	1,014,000
No Predominant Product	1	3,652,000	3,922,000	405,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in this book, these figures are arithmetic averages. See page 3 for explanatory note.